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|  <p>A Northern Oil Co. crew fights a pipeline fire caused by sabotage near the Al Fatha Bridge in Iraq.</p> <p>Photo by Nola Conway</p> | <h1>Operation RIO Update</h1> <p>27 June 2003</p> |
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An update for all SWD employees and Operation RIO volunteers supporting Operation Iraqi Freedom.

First Oil Exported: Iraqi Oil Ministry exported their first oil from the Ceyhan terminal in Turkey on June 22. Iraq will begin exporting from their terminal at the southern port of Mina al-Bakr in a few days as well. Task Force RIO played an important part in this historic event.

"This project is so very important to the reconstruction of Iraq," said LTG Robert Flowers on a recent visit to Iraq. "The oil production drives the economy. We have a chance to help establish a functional democracy in this country, which will raise the bar for other nations in the area. You can tell your children and grandchildren that you were there to help make it happen."

Solicitation for Follow-on Contract Issued:

The notice of intent to issue two contracts for possible work on the Iraqi oil infrastructure was posted to the Federal Business Opportunities website Monday.

The pre-solicitation notice, available at <http://www.eps.gov> (search word "oil"), states that the Corps plans to award two Indefinite Delivery Indefinite Quantity cost plus award fee 24-month contracts with three one-year options. The maximum value of each contract is \$500,000,000 with a minimum guarantee of \$500,000.

These contracts will replace the non-competitive bridge contract awarded to Kellogg Brown and Root prior to the start of the war in Iraq.

A pre-proposal conference will be held in Dallas on July 14. Details about this conference are available on the website www.mhli.org.

The IDIQ contracts will cover a full range of services including, but not limited to, extinguishing oil fires; environmental assessments and clean up at oil sites; engineering design and construction necessary to restore the infrastructure to a safe, operating condition; oilfield, pipeline and refinery maintenance technical assistance and consulting services to the Iraqi Oil Companies and more.

IDIQ contracts are authorized under the Federal Acquisition Regulations. We anticipate a cost-reimbursable type of IDIQ contract because of the high risk involved and the undefined nature of the required work. Because the specific task orders to be issued under this contract are not known at this time, the costs associated with that work cannot be estimated precisely enough to use any fixed price contract. We anticipate issuing indefinite delivery/indefinite quantity contracts that will be fulfilled by issuing subsequent task orders that will not exceed specific funding levels.

The following Questions and Answers are provided to better help all of us to speak with one voice.

Q. Can I get a copy of the acquisition strategy now that it is approved?

No, the acquisition strategy is a close-hold, pre-decisional document that is classified For Official Use Only. It is not releasable until after a contract is awarded. The strategy includes information which if released might enable one bidder to have an advantage over another.

Q. Is it possible that a follow-up contract will not be awarded?

Yes, it is possible. The decision to have competed contracts issued to replace the initial contract was made before hostilities began. The war damage was less than expected. The current contractor is making progress in restoring the damaged oil system. However, the looting damage has been substantial and continues. If the looting continues, the current contractor may not be able to completely restore the system quickly. The reestablished Iraqi Oil Ministry will help determine when assistance by the Corps contractors will no longer be needed. Those making the decision to award any future contracts will take all of these factors into consideration.

Q. Will the competition for any follow-on contracts be open to foreign companies?

The Office of the Secretary of Defense has determined the applicability to the procurement laws and regulations that can affect which countries can participate. We will conduct the competition according to those directives.

Q. Will the Iraqis be involved in the evaluating and awarding of these contracts?

No. This is a U.S. Government Contract. The Iraqis will not be involved in the evaluation and award. There will be normal consulting and discussion with the Iraqi Oil ministry in issuing any task orders under the new contract.

Q. Will part of this work be set aside for small business?

This is a full and open competition that may involve foreign participation. However, the potential for establishing set-asides for small business was carefully considered. There are no portions of the statement of work that could be broken out for this purpose.

Q. Will KBR have an advantage since they did the contingency support plan and are now working under the current contract?

Yes. And no. As the incumbent contractor, KBR will have some advantages over other bidders. We recognize that and have included within our acquisition strategy certain safeguards to mitigate those advantages. We are not at liberty to discuss those mitigation factors at this time because they are part of the acquisition strategy, which is not releasable until after a contract has been awarded.

Comings and Goings: Major Craft Smith, LNO with TF RIO Forward and Rear, left SWD for Fort Leavenworth Kansas and the Command and General Staff College.

Pay Problems: If individuals are having pay problems or have a question, we recommend they take the following steps. 1. Verify that the employee and supervisor signed the time and attendance report each pay period. 2. Verify that the supervisor faxed the T&A report to the FEST-M Rear office. (90 % of pay problems are because the employee and supervisor have not submitted **signed** time and attendance sheets.) 3. Bring the pay problem to the attention to your supervisor. 4. Bring the pay problem to the attention of Jim Barton.



Rumaylah Secondary School English Teacher Mr. Aseil writes a receipt for new copy machine donated to the school by Kellogg, Brown and Root (KBR) as part of the Adopt-A-School program started by Team RIO (Restore Iraqi Oil). The school has benefited by contributions from Team RIO employees and KBR. Shown in the photo L to R are Naim Rizk, Corps interpreter; Steve Wright, RIO PAO; Melissa Norcross, KBR Media Relations; Mr. Aseil and Secondary School Principal Ahmad.

We the People of the United States of America... Please keep in mind that as we here in the United States take time off to celebrate with our friends and families the anniversary of the birth of our Nation, that some of our fellow Corps employees are still serving overseas. Those employees are providing the excellent service to our military that the Army Corps of Engineers has provided for more than 228 years. As you take pride in the work they are doing, consider volunteering to be part of a FEST-A or FEST-M team.

"HOOAH!!"

*MICHAEL L. SCHULTZ, COLONEL, EN.
Acting Commander,
Southwestern Division*